

ARIZONA REVISED STATUTES

The Arizona Revised Statutes have been updated with the 48th Legislature, 2nd Regular Session information, and contain the version of the statutes effective January 1, 2009.

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ARTICLE 1 GENERAL PROVISIONS

32-3601. Definitions

In this chapter, unless the context otherwise requires:

1. "Appraisal" or "real estate appraisal" means a statement independently and impartially prepared by an individual setting forth an opinion as to the market value of real property as of a specific date and supported by the presentation and analysis of relevant market information.
2. "Appraisal assignment" means an engagement for which a real estate appraiser is employed or retained to act, or would be perceived by third parties or the public in acting, as a disinterested third party in rendering an unbiased analysis, opinion or conclusion relating to the nature, quality, value or utility of specified interests in or aspects of identified real estate.
3. "Appraisal foundation" means the appraisal foundation incorporated as an Illinois not-for-profit corporation on November 30, 1987.
4. "Appraisal report" means any communication, written or oral, of an appraisal.
5. "Appraisal review" means the act of reviewing or the report that follows a review of an appraisal assignment or appraisal report in which a real estate appraiser forms an opinion as to the adequacy and appropriateness of the report being reviewed.
6. "Appraisal standards board" means the appraisal standards board appointed by the board of trustees of the appraisal foundation to develop, interpret and amend the uniform standards of professional appraisal practice.
7. "Appraisal subcommittee" means the subcommittee of the federal financial institutions examination council created pursuant to 12 United States Code section 3310 and chapter 34A, as amended.
8. "Appraiser qualifications board" means the appraiser qualifications board appointed by the board of trustees of the appraisal foundation to establish the minimum education, experience and examination requirements for real estate appraisers.
9. "Board" means the state board of appraisal.
10. "Complex one to four residential units" means property that is atypical for the marketplace. Atypical factors may include architectural style, age of improvements, size of improvements, size of lot, neighborhood land use, potential environmental hazard liability, leasehold interests, limited readily available comparable sales data or other unusual factors.
11. "Course approval" means the act of the board reviewing course materials to form an opinion as to the adequacy and appropriateness of the course for licensing pursuant to section 32-3613, certification pursuant to section 32-3614 and continuing education as prescribed in section 32-3625 in accordance with the appraiser qualifications board and this chapter.
12. "Federal financial institutions examination council" means that agency of the federal government created pursuant to 12 United States Code chapters 34 and 34A, as amended.
13. "Federally related transaction" means any real estate related financial transaction that a federal financial institution's regulatory agency or the resolution trust corporation engages in, contracts for or regulates and that requires an appraisal.
14. "Property tax agent" means an individual who is designated by a person or is an employee of an entity designated as an agent pursuant to section 42-16001, who acts on behalf of a person who

owns, controls or possesses property valued by a county assessor and who receives a fee for the analysis of any matter relating to the review of the valuation of the person's property before the assessor. Property tax agent does not include a person who is admitted to practice law in this state, an employee of the person owning, controlling or possessing the property or an employee of an entity designated pursuant to section 42-16001, if the employee is performing a secretarial, clerical or administrative support function.

15. "Real estate" means an identified parcel or tract of land, including improvements, if any.

16. "Real estate related financial transaction" means any transaction involving the sale, lease, purchase, investment in or exchange of real property, including interests in property or the financing of property, the refinancing of real property or interests in real property and the use of real property or interests in property as security for a loan or investment including mortgage-backed securities.

17. "Real property" means one or more defined interests, benefits and rights inherent in the ownership of real estate.

18. "Review appraiser" means a person who engages in the activity of reviewing and evaluating the appraisal work of others from the perspective of an appraiser, generally for compensation as a separate skill. This includes the function of reviewing an appraisal report or a file memorandum setting forth the results of the review process.

19. "Standards of professional appraisal practice" means the uniform standards of professional appraisal practice adopted by the board.

20. "State licensed or state certified appraiser" means a person who develops and communicates appraisals and who holds a current, valid license or certificate issued to him under the provisions of this chapter.

21. "Value" means the monetary relationship between properties and those who buy, sell or use those properties.

32-3602. Applicability of chapter

This chapter does not apply to:

1. A real estate broker or salesperson who is licensed in this state and who, when acting as such, gives an opinion as to the price of real estate if this opinion is not referred to as an appraisal.
2. A natural person, a corporation through its officers or a partnership through its partners that gives an opinion of value of that person's or its own property and does not receive special compensation for the transaction if this opinion is not referred to as an appraisal.
3. An attorney in the performance of that person's duties as an attorney.
4. A mortgage banker, mortgage broker or commercial mortgage banker who is licensed in this state and who, when acting as such, prepares a report analyzing real property if the report is not made for the primary purpose of establishing the sale or market value of the property.
5. An individual who is otherwise subject to licensing or certification by law and whose duties require appraisal of real property for purposes of tax assessment.
6. An engineer or architect registered in this state or a contractor or insurance producer licensed in this state who, when acting as such, prepares a report analyzing real property if the report utilizes the specialized knowledge of the registered engineer or architect or the licensed contractor or insurance producer.

7. A property tax agent who is registered in this state and who, when acting as such, prepares a report analyzing real estate if the report is made for purposes of tax assessment or tax valuation of the real estate.
8. An individual appraising real property only for the purpose of providing an opinion in a judicial proceeding or an individual providing an opinion in a judicial proceeding. An individual providing an opinion under the exemption of this paragraph shall not represent or imply in any report or testimony that the individual testifying is licensed or certified under this chapter.
9. A person who produces a statement that is provided to any other person concerning the estimated value of real property through an internet website, automated valuation or other software program or other means of comparative market analysis and who discloses that the estimate is not an appraisal.

32-3603. License or certificate use; exception

- A. All real estate appraisals and appraisal reviews performed on real property in this state shall be performed only by individuals licensed or certified in accordance with the requirements of this chapter. No person, other than a state licensed or state certified appraiser, may assume or use that title or any title, designation or abbreviation likely to create the impression of licensure or certification as an appraiser by this state.
- B. No person other than a state licensed or state certified appraiser may receive a fee for a real estate appraisal or an appraisal review of real property in this state.

32-3604. State board of appraisal

- A. A state board of appraisal is established and is composed of nine members who are appointed by the governor pursuant to section 38-211.
- B. The membership of the board consists of:
 1. Four members who are state certified or state licensed appraisers under this chapter, one of whom is a state certified general appraiser, one of whom is a state certified residential appraiser, one of whom is a state licensed appraiser and one of whom is any state certified or state licensed appraiser. Membership in a professional appraisal organization or association is not a prerequisite to service on the board.
 2. Three public members who are not related within the third degree of consanguinity or affinity to any real estate appraiser.
 3. A registered property tax agent.
 4. One member, who is not a certified or licensed appraiser, who is employed by a lending institution that purchases or makes use of either commercial or residential appraisals and whose position of employment relates to the use of appraisals by that institution.
- C. Members shall serve for staggered terms of three years.
- D. Not more than two persons from the same professional appraisal organization or association may serve on the board concurrently. The governor may remove a member for cause. No person may serve as a member of the board for more than two consecutive terms unless both of the following apply:
 1. The person is appointed to serve the remainder of some other board member's term of office after that board member's seat is declared vacant.

2. The person's service for the remainder of the vacated term does not exceed eighteen months.
- E. The public members of the board shall not be engaged in the practice of appraising or be the owner or employee of any proprietary business involving appraisal education or testing of appraisers.
- F. The board shall meet at least once each calendar quarter to conduct business. Places of future meetings shall be decided by the vote of members at meetings. By order of the chairman and if necessary to meet the requirements of this chapter, the board may hold special meetings or emergency meetings including meetings using conference telephone or other similar communications equipment in such a manner that the voices of all members participating in the meeting are simultaneously audible to all other members participating in the meeting.
- G. The board shall meet to elect a chairman annually from among its members.
- H. A majority of the members constitutes a quorum.
- I. Each member of the board is eligible to receive compensation not to exceed one hundred fifty dollars for each day or seventy-five dollars for each part of a day consisting of less than four hours actually spent in the conduct of the business of the board, plus reimbursement for all expenses pursuant to title 38, chapter 4, article 2.
- J. The auditor general shall conduct a performance audit or a special audit of the board pursuant to section 41-1279.03 on or before December 31, 2004 and at least once every ten years thereafter. The auditor general shall also conduct performance audits or special audits of the board when directed to do so by the joint legislative audit committee.

32-3605. State board of appraisal; duties

- A. The board shall adopt rules in aid or in furtherance of this chapter.
- B. The state board of appraisal shall:
 1. In prescribing standards of professional appraisal practice, adopt standards that at a minimum are equal to the standards prescribed by the appraisal standards board.
 2. In prescribing criteria for certification, adopt criteria that at a minimum are equal to the minimum criteria for certification adopted by the appraiser qualifications board.
 3. In prescribing criteria for licensing, adopt criteria that at a minimum are equal to the minimum criteria for licensing adopted by the appraiser qualifications board.
 4. Further define by rule with respect to state licensed or state certified appraisers appropriate and reasonable educational experience, appraisal experience and equivalent experience that meets the statutory requirement of this chapter.
 5. Establish the examination specifications for state certified appraisers, provide or procure appropriate examination questions and answers, administer examinations and establish procedures for grading examinations consistent with and equivalent to the criteria adopted by the appraiser qualifications board.
 6. Establish the examination specifications for state licensed appraisers, provide or procure appropriate examination questions and answers, administer examinations and establish procedures for grading examinations consistent with and equivalent to the criteria adopted by the appraiser qualifications board.
 7. Establish administrative procedures for approving or disapproving applications for licensure and certification and issuing licenses and certificates.

8. Define by rule, with respect to state licensed and certified appraisers, the continuing education requirements for the renewal of licenses or certificates that satisfy the statutory requirements provided in this chapter.
9. Periodically review the requirements for the development and communication of appraisals provided in this chapter and adopt rules explaining and interpreting the requirements.
10. Define and explain by rule each stage and step associated with the administrative procedures for the disciplinary process pursuant to this chapter including:
 - (a) Prescribing minimum criteria for accepting a complaint against a licensed or certified appraiser.
 - (b) Defining the process and procedures used in investigating the allegations of the complaint.
 - (c) Defining the process and procedures used in hearings on the complaint, including a description of the rights of the board and any person who is alleged to have committed the violation.
 - (d) Establishing criteria to be used in determining the appropriate actions for violations.
11. Communicate information that is useful to the public and appraisers relating to actions for violations.
12. Censure, suspend and revoke licenses and certificates pursuant to the disciplinary proceedings provided for in section 32-3631.
13. At least monthly transmit to the appraisal subcommittee a roster listing individuals who have received a state certificate or license in accordance with this chapter.
14. Report on the disposition of any matter referred by the appraisal subcommittee or any other federal agency or instrumentality or federally recognized entity reporting any action of a state licensed or state certified appraiser that is contrary to this chapter.
15. Make a determination and finding if there exists a scarcity of state certified or state licensed appraisers to perform appraisals in connection with federally related transactions in this state and issue resident temporary licenses and certificates pursuant to section 32-3626.
16. Transmit the national registry fee collected pursuant to section 32-3607 to the appraisal subcommittee.
17. Establish the fees in accordance with the limits established in section 32-3607.
18. Perform such other functions and duties as may be necessary to carry out this chapter.
- C. The board may employ an executive director and other personnel and designate their duties. The executive director shall serve at the pleasure of the board.
- D. The executive director shall not change or amend actions of the board.

32-3606. Executive director; duties

The executive director shall:

1. Receive applications for state licenses and certificates.
2. Establish the administrative procedures for processing applications for state licenses and certificates.
3. Maintain a registry of the names and addresses of people licensed or certified under this chapter.
4. Retain records and all application materials submitted to the board.
5. Assist the board in such other matters as the board may require.

32-3607. Fees

A. The board shall charge and collect fees that are sufficient to fund the activities necessary to carry out this chapter. These include:

1. An application fee for licensure or certification of not more than four hundred dollars.
2. An application fee for a resident temporary license or certificate of not more than four hundred dollars.
3. An examination fee of not more than one hundred dollars.
4. A fee for renewal of a license, certificate or resident temporary license or certificate of not more than four hundred twenty-five dollars.
5. A delinquent renewal fee in addition to the renewal fee of not more than twenty-five dollars.
6. A two year national registry fee of not to exceed the actual cost of twice the current annual national registry fee.
7. A nonresident temporary licensure or certification fee of not more than one hundred fifty dollars.
8. A course approval fee of not more than five hundred dollars.

B. If the appraisal subcommittee raises the national registry fee during the second year of a biennial license or certificate, state licensed and state certified appraisers shall pay the additional national registry fee on demand by the board. Failure to pay the additional fee within thirty days of notice by the board subjects the license or certificate holder to a penalty of twice the amount owed but not to exceed twenty dollars. The board shall not renew a license or certificate until all outstanding obligations of the license or certificate holder are paid.

32-3608. Board of appraisal fund

A. A board of appraisal fund is established. Except as provided in subsection C of this section, pursuant to sections 35-146 and 35-147, the board shall deposit ten per cent of the monies in the state general fund and deposit the remaining ninety per cent in the board of appraisal fund.

B. Except as provided in subsection C of this section, all monies deposited in the board of appraisal fund are subject to section 35-143.01.

C. The national registry fee collected pursuant to section 32-3607, subsection A, paragraph 6 shall be deposited in the board of appraisal fund pending transmittal to the appraisal subcommittee. These monies are not subject to section 35-143.01.

32-3609. Confidential records

Except as otherwise provided by law, the following records are confidential:

1. Questions contained in any examination administered by or for the board or in any examination submitted to the board for course approval.
2. Questions asked and the answers of individual examinees, except that the board shall provide the grades of each examinee for public inspection and copying.
3. Appraisal reports or appraisal reviews and supporting documentation deemed confidential under the uniform standards of professional appraisal practice edition adopted by the board.
4. All documents associated with a complaint until the complaint is resolved.

ARTICLE 2 LICENSING AND CERTIFICATION

32-3611. Licensure and certification process

A. Applications for original licensure or certification, renewals and examinations shall be made in writing to the executive director on forms approved by the board.

B. Appropriate fees, as fixed by the board pursuant to section 32-3607, shall accompany all applications for original licensure or certification, renewal and examination.

C. At the time of filing an application for licensure or certification, each applicant shall sign a pledge to comply with the standards set forth in this chapter and shall state that the applicant understands the types of misconduct for which disciplinary proceedings may be initiated against a state licensed or state certified appraiser, as set forth in this chapter.

D. Except as otherwise provided in this chapter, the executive director shall require such other proof and request such documents, through the application or otherwise, as the board deems necessary for the interests of the public and to verify the honesty, truthfulness, reputation and competency of the applicant and shall require that the applicant for licensure or certification:

1. Be at least eighteen years of age and a citizen of the United States or a qualified alien as defined in 8 United States Code section 1641.
2. Shall not have had a license or certificate denied pursuant to this chapter within one year immediately preceding the application.
3. Shall not have had a license or certificate revoked pursuant to this chapter within two years immediately preceding the application.
4. State whether or not the applicant has ever been convicted in a court of competent jurisdiction in this or any other state of a felony or of forgery, theft, extortion or conspiracy to defraud or any other crime involving dishonesty or moral turpitude.

E. Applications for licensure or certification by persons who are charged or under indictment for fraud involving appraisal of real property may be denied pending final disposition of the charge or indictment. Upon final disposition, the board shall review the proceedings and act upon the application.

32-3612. Classifications of licensure and certification

A. The following classifications of state licensed real estate appraisers and state certified real estate appraisers are established:

1. State certified general real estate appraisers consisting of those persons meeting the requirements for certification relating to the appraisal or appraisal review of all types of real property.
2. State certified residential real estate appraisers consisting of those persons meeting the requirements for certification relating to the appraisal or appraisal review of one to four residential units without regard to value or complexity.
3. State licensed real estate appraisers consisting of those persons meeting the requirements for licensing relating to appraisal or appraisal review of noncomplex one to four residential units having a value of less than one million dollars and complex one to four residential units having a value of less than two hundred fifty thousand dollars.

B. Notwithstanding section 32-3602:

1. All federally related transactions involving property with a value equal to or greater than one million dollars and complex one to four family residential real property shall be appraised by a state certified appraiser.

2. All federally related transactions not requiring a state certified appraiser may be appraised by either a state certified or state licensed appraiser.

C. All nonfederally related transactions may be appraised either by a state certified or a state licensed appraiser.

32-3613. Application and qualification requirements for issuance of license

A. An application for licensing and examination shall be made on forms as prescribed by the board and accompanied by the required fees.

B. Those persons filing for licensing shall meet the minimum criteria for licensing established by the board under section 32-3605, subsection B, paragraph 3.

C. No person may be a state licensed appraiser unless the person has achieved a passing grade on a suitable examination administered by the board.

32-3614. Application and qualification requirements for certification

A. An application for certification and examination shall be made on forms prescribed by the board and accompanied by the required fees.

B. Those persons filing for certification shall meet the minimum criteria for certification established by the board under section 32-3605, subsection B, paragraph 2 and section 32-3615.

C. No person may be a state certified real estate appraiser unless the person has achieved a passing grade on a suitable examination administered by the board.

D. Persons presenting evidence showing successful completion of the requirements of this section shall be recognized as having met the qualifications as a state certified real estate appraiser.

32-3615. Experience requirement for licensure or certification

A. Each applicant for licensure or certification shall have experience that was acquired within ten years immediately preceding the filing of the application for licensure or certification.

B. Each applicant for licensure or certification shall furnish under oath a detailed listing of the real estate or other appraisal reports, review reports or filed memoranda for each year for which experience is claimed by the applicant. On request, the applicant shall make available to the board for examination copies of appraisal reports which the applicant has prepared in the course of the applicant's appraisal experience.

32-3616. Terms of license or certificate

A license or certificate issued under this chapter is valid for two years from the date of issuance. The expiration date of the license or certificate shall appear on the license or certificate.

32-3617. Nonresident temporary licensure or certification

A. Every applicant for nonresident temporary licensure or certification under this chapter who is not a resident of this state shall submit, with the application for nonresident temporary licensure or certification, an irrevocable consent that service of process on the applicant may be made by delivery of the process to the secretary of state if, in an action against the applicant in a court of this state arising out of the applicant's activities as a nonresident temporary state licensed or state certified appraiser, the plaintiff cannot effect, in the exercise of due diligence, personal service on the applicant.

B. A nonresident of this state who has complied with subsection A may obtain a nonresident temporary license or certificate as a nonresident temporary state licensed or state certified appraiser by conforming to all of the requirements of this chapter relating to state licensed or state certified appraisers.

C. A nonresident of this state who is licensed or certified in another state is entitled to nonresident temporary licensure or certification from the board, which shall be valid until the completion of each appraisal assignment but not for a period of more than one year from the date of issuance, if:

1. The properties to be appraised are federally related.
2. The nonresident appraiser's business in this state is of a temporary nature.
3. The nonresident appraiser applies with the board on forms prepared by the board.
4. The nonresident appraiser pays the nonresident temporary licensure or certification fee required by the board.

32-3618. Nonresident licensure or certification by reciprocity

If, in the determination of the board, another state is deemed to have substantially equivalent licensing or certification requirements and the board has entered into a reciprocity agreement with that state, an applicant who is licensed or certified under the laws of the other state may obtain a license or certificate as a state licensed or state certified appraiser in this state on such terms and conditions as may be determined by the board.

32-3619. Renewal of license or certificate; fees

A. Except as otherwise provided in this section and in section 32-4301, to renew a license or certificate as a state licensed or state certified appraiser, the holder of a current, valid license or certificate shall make an application and pay the prescribed fee to the board not earlier than ninety days nor later than thirty days before the expiration date of the license or certificate then held. With the application for renewal, the state licensed or state certified appraiser shall present evidence in the form prescribed by the board of having completed the continuing education requirements for renewal specified in section 32-3625. The renewal application shall be mailed to the last known address of record not more than ninety days nor less than sixty days before the renewal date.

B. The board may accept a renewal application after the expiration date and within ninety days of the date of expiration but shall assess a delinquent renewal fee in addition to the renewal fee.

C. An appraiser who fails to seek renewal within the time period specified in subsection A or B of this section must reapply for licensure or certification and meet all of the requirements of this chapter.

- D. An appraiser shall not engage in, advertise or purport to engage in real estate appraisal activity in this state after a license or certificate has expired and before the renewal of the expired license or certificate.
- E. Notwithstanding section 41-1092.11, a license or certificate expires on its expiration date.

32-3620. Basis for denial of a license or certificate

- A. The board may deny the issuance of a license or certificate as a state licensed or state certified appraiser to an applicant who has been convicted of a felony or on any of the grounds prescribed in this chapter.
- B. To assist in determining whether grounds exist to deny the issuance of a license or certificate to an applicant, the board may require a criminal background check including the fingerprinting of every applicant for an original license and certificate. The criminal background check may be conducted pursuant to section 41-1750 or in any other manner deemed suitable by the board. The board may charge the cost of each criminal background check to the applicant.
- C. A person who is denied the issuance of a license or certificate may request, and if requested shall receive, a hearing in accordance with title 41, chapter 6, article 10.

32-3621. Addresses; telephone numbers; notification of change

- A. Each state licensed or state certified appraiser shall advise the board of the address of the appraiser's principal place of business and all other addresses at which the appraiser is currently engaged in the business of preparing real property appraisal reports.
- B. Every state licensed or state certified appraiser shall notify the board of the appraiser's current residence address. Residence addresses on file with the board are exempt from disclosure as public records.
- C. Every state licensed or state certified appraiser shall provide a daytime telephone number to the board.
- D. If a state licensed or state certified appraiser changes a place of business or residence or the appraiser's daytime telephone number, the appraiser shall give written notification of the change within ten days after the change to the board.

32-3622. Licenses and certificates

- A. A license or certificate issued under this chapter shall be signed on behalf of the board and shall bear the license or certificate number assigned by the board.
- B. Each state licensed or state certified appraiser shall place the appraiser's license or certificate number adjacent to or immediately below the title "state licensed appraiser" or "state certified appraiser" and the number shall be included in an appraisal report or in a contract or other instrument used by the license or certificate holder in conducting appraisal activities.

32-3623. Use of term

- A. The term "state licensed appraiser" or "state certified appraiser" may only be used to refer to individuals who hold the license or certificate and may not be used after or immediately in connection with the name or signature of a firm, partnership, corporation or group or in such a manner that it

might be interpreted as referring to a firm, partnership, corporation or group or anyone other than the individual holder of the license or certificate.

B. A license or certificate shall not be issued under this chapter to a corporation, partnership, firm or group. This subsection shall not be construed to prevent a state licensed or state certified appraiser from signing an appraisal report on behalf of a corporation, partnership, firm or group.

32-3624. Professional corporations and partnerships

A corporation, partnership or other business entity may provide appraisal services in connection with transactions related to this chapter if the appraisal is prepared by individuals licensed or certified in accordance with this chapter. An individual who is not a state licensed or state certified appraiser may assist in the preparation of an appraisal if both of the following apply:

1. The assistant is under the direct supervision of a state licensed or state certified appraiser.
2. The final appraisal document is approved and signed by an individual who is licensed or certified.

32-3625. Continuing education

A. As a prerequisite to renewal of a license or certificate, a state licensed or state certified appraiser shall present evidence satisfactory to the board of having met the continuing education requirements of either subsection B or C.

B. The basic continuing education requirement for renewal of a license or certificate is the completion by the applicant, during the immediately preceding term of the license or certificate, of courses or seminars which are approved by the board.

C. An applicant for relicensing or recertification may satisfy all or part of the continuing education requirements by presenting evidence of the following which shall be approved by the board:

1. Completion of an education program of study determined by the board to be equivalent, for continuing education purposes, to courses approved by the board pursuant to subsection B.
2. Participation other than as a student in educational processes and programs which are approved by the board and which relate to appropriate appraisal theory, practices or techniques, including teaching, program development and preparation of textbooks, monographs, articles and other instructional materials, not to exceed fifty per cent of an applicant's continuing education requirements and not for the same course in consecutive renewal periods.

D. The board shall adopt rules to assure that persons renewing their licenses or certificates as state licensed or state certified appraisers follow practices and techniques which provide a high degree of service and protection to those members of the public with whom they deal in the professional relationship under the authority of the license or certificate. The rules shall include the following:

1. Policies and procedures for obtaining board approval of courses and instruction pursuant to subsection B.
2. Standards, policies and procedures to be applied by the board in evaluating an applicant's claims of equivalency in accordance with subsection C.
3. Standards, monitoring methods and systems for recording attendance to be employed by course sponsors as a prerequisite to board approval of courses for credit.

E. In adopting rules pursuant to subsection D, paragraph 1, the board shall give consideration to courses of instruction, seminars and other appropriate appraisal educational courses or programs

previously or hereafter developed by or under the auspices of professional appraisal organizations and utilized by those associations for purposes of designation, or indicating compliance with the continuing education requirements of such organizations. No person who offers these courses may discriminate in the opportunity to participate in these courses on the basis of membership or nonmembership in an appraisal organization.

F. No amendment or repeal of a rule adopted by the board pursuant to this section may operate to deprive a state licensed or state certified appraiser of credit toward renewal of a license or certificate for any course of instruction either completed by the applicant or enrolled in by the applicant before the amendment or repeal of the rule which would have qualified for continuing education credit under the rule as it existed before the repeal or amendment.

G. A license or certificate as a state licensed or state certified appraiser that has been revoked as a result of disciplinary action by the board shall not be reinstated unless the applicant presents evidence of completion of the continuing education required by this chapter. This requirement of evidence of continuing education shall not be imposed on an applicant for reinstatement who has been required to successfully complete the examination for state licensed or state certified appraiser as a condition of reinstatement of a license or certificate.

32-3626. Scarcity determination; resident temporary licenses and certificates; exemption

A. No later than November 1 of each year, the board shall determine and make a finding whether there is a scarcity of state certified or state licensed appraisers in an area within the state to perform appraisals in federally related transactions.

B. In determining whether a scarcity exists, the board shall follow procedures in accordance with the provisions governing scarcity in 12 United States Code section 3348 and regulations adopted pursuant to that section as of September 30, 1992.

C. If the board makes a finding of scarcity, within fifteen days after the finding, the board shall apply to the appropriate federal agency for a temporary waiver of the state certification or licensing requirements.

D. If a waiver request has been approved by the federal agency authorized to issue waivers, the board may thereafter issue resident temporary licenses or certificates to applicants consistent with the reduction in application requirements of this chapter for licenses and certificates as authorized by the waiver. A resident temporary license or certificate shall be subject to all provisions of this chapter not inconsistent with the provisions of the waiver.

E. A person obtaining a resident temporary license or certificate under this section is required to comply with all of the provisions of this chapter except for those provisions of this chapter for which a temporary waiver has been approved and shall indicate on all appraisals performed by the person that the appraisal is not an appraisal done by a state certified or state licensed appraiser and the person performing the appraisal is a resident temporary license or certificate holder. A person holding a resident temporary license or certificate may perform appraisals only in areas within the state where it has been determined by the board that a scarcity exists.

F. The board is exempt from title 41, chapter 6, article 10 in making the determination and finding and in issuing resident temporary licenses and certificates in accordance with the waiver in subsection D of this section and section 32-3605, subsection B, paragraph 14.

32-3627. Inactive license or certificate status; reactivation application; renewal application and fee; continuing education

A. Any license or certificate holder may request that the license or certificate be placed on inactive status by filing with the board an application that includes all of the following:

1. The license or certificate holder's name.
2. The license or certificate number.
3. A request for inactive status.

B. The period a license or certificate is on inactive status under this section may not exceed two years.

C. A license or certificate holder who is on inactive status shall not do either of the following:

1. Represent that the license or certificate holder is an active appraiser licensed or certified in this state.
2. Perform real estate appraisals or appraisal reviews on real estate in this state.

D. A license or certificate holder on inactive status under this section must file with the board an application for reactivation of the license or certificate before resuming real estate appraisal activity.

E. To return to active status, an inactive license or certificate holder shall do both of the following:

1. File with the board an application for reactivation of the license or certificate.
2. Provide evidence of completion of the required continuing education that the license or certificate holder would have been required to meet during the period when the license or certificate holder's license or certificate was on inactive status.

F. If the holder of an inactive license or certificate under this section does not file an application for reactivation within a two year period, that person must reapply for licensure or certification pursuant to the requirements of this chapter.

G. A license or certificate holder who is on inactive status pursuant to this section remains on inactive status until the board approves the application for reactivation of the license or certificate.

H. The board may take disciplinary or remedial action against a license or certificate holder who is on inactive status pursuant to this section.

I. A license or certificate holder who places the holder's license or certificate on inactive status must pay the renewal fee and complete an application for renewal as prescribed in section 32-3619. A license or certificate holder on inactive status is not required to provide evidence of completion of the continuing education requirements until the application for reactivation is filed pursuant to subsection E of this section.

32-3628. Inactive license or certificate status during military duty; reactivation application; renewal application and fee; continuing education

A. A license or certificate holder who is ordered to active military duty with the United States armed forces may request that the license or certificate be placed on inactive status by filing with the board an application that includes all of the following:

1. The license or certificate holder's name.
2. The license or certificate number.
3. The date that the active military duty begins.
4. A request for inactive status.

- B. The license or certificate is deemed to be on inactive status while the license or certificate holder is on active military duty but the period of inactive status may not exceed three years.
- C. A license or certificate holder who is on inactive status pursuant to this section shall not do either of the following:
1. Represent that the holder is an active appraiser licensed or certified in this state.
 2. Perform real estate appraisals or appraisal reviews on real estate in this state.
- D. A license or certificate holder on inactive status must file with the board an application for reactivation of the license or certificate within thirty days after returning home from active military duty.
- E. If the holder of an inactive license or certificate timely files an application for reactivation of the license or certificate, the license or certificate is returned to active status on the board's approval of the application for reactivation. The time period for completion of the continuing education requirements that the license or certificate holder would otherwise have been required to meet during the period when the license or certificate was on inactive status is extended for a period not to exceed ninety days after return from active military duty. The license or certificate holder must submit proof of completion of any continuing education requirements to the board no later than thirty days after completion.
- F. If the holder of an inactive license or certificate under this section does not make a timely application for reactivation as required by subsection D of this section, the holder must reapply for licensure or certification meeting all of the requirements of this chapter.
- G. A license or certificate holder who is on inactive status pursuant to this section remains on inactive status until the board approves the application for reactivation of the license or certificate.
- H. The holder of an inactive license or certificate applying for reactivation of the license or certificate under this section shall include with the application for reactivation a copy of the documentation from the armed forces showing the period of time that the holder of the inactive license or certificate was on active military duty.
- I. Any license or certificate holder who places the holder's license or certificate on inactive status under this section must pay the renewal fee prescribed in section 32-3607 and complete an application for renewal pursuant to section 32-3619. A license or certificate holder on inactive status pursuant to this section who files an application for reactivation is required to provide evidence of completion of the continuing education requirements pursuant to subsection E of this section.
- J. For the purposes of this section, active military duty does not include service persons performing weekend drill and annual training.

ARTICLE 3 REGULATION

32-3631. Disciplinary proceedings

A. The rights of an applicant or holder under a license or certificate as a state licensed or state certified appraiser may be revoked or suspended or the holder of the license or certificate may otherwise be disciplined in accordance with this chapter on any of the grounds set forth in this section. The board may investigate the actions of a state licensed or state certified appraiser and may revoke

or suspend the rights of a license or certificate holder or otherwise discipline a state licensed or state certified appraiser for any of the following acts or omissions:

1. Procuring or attempting to procure a license or certificate pursuant to this chapter by knowingly making a false statement, submitting false information, refusing to provide complete information in response to a question in an application for a license or certificate or committing any form of fraud or misrepresentation.
 2. Failing to meet the minimum qualifications established by this chapter.
 3. Paying or offering to pay money or other considerations other than as provided by this chapter to any member or employee of the board to procure a license or certificate under this chapter.
 4. A conviction, including a conviction based on a plea of guilty, of a crime which is substantially related to the qualifications, functions and duties of a person developing appraisals and communicating appraisals to others, or a conviction for any felony or any crime involving moral turpitude.
 5. An act or omission involving dishonesty, fraud or misrepresentation with the intent to substantially benefit the license or certificate holder or another person or with the intent to substantially injure another person.
 6. Violation of any of the standards of the development or communication of appraisals as provided in this chapter.
 7. Negligence or incompetence in developing an appraisal, in preparing an appraisal report or in communicating an appraisal.
 8. Wilfully disregarding or violating any of the provisions of this chapter or the rules of the board for the administration and enforcement of this chapter.
 9. Accepting an appraisal assignment if the employment itself is contingent on the appraiser reporting a predetermined estimate, analysis or opinion or if the fee to be paid is contingent on the opinion, conclusion or value reached or on the consequences resulting from the appraisal assignment.
 10. Violating the confidential nature of any records to which the appraiser gains access through employment or engagement as an appraiser.
 11. Entry of a final civil judgment against the person on grounds of fraud, misrepresentation or deceit in the making of any appraisal.
- B. In a disciplinary proceeding based on a civil judgment, the state licensed or state certified appraiser shall be afforded an opportunity to present matters in mitigation and extenuation.
- C. The board may issue subpoenas for the attendance of witnesses and the production of books, records, documents and other evidence necessary and relevant to an investigation or hearing.

32-3632. Hearing and judicial review

- A. The hearing on the charges shall be at a time and place prescribed by the board and shall be in accordance with title 41, chapter 6, article 10.
- B. If the board determines that a state licensed or state certified appraiser is guilty of a violation of this chapter, it shall prepare a finding of fact and take disciplinary or remedial action.
- C. Except as provided in section 41-1092.08, subsection H, any final decision or order of the board may be appealed to the superior court pursuant to title 12, chapter 7, article 6.

32-3633. Undue influence; classification

A person who induces or influences the actions of an appraiser for purposes of securing an appraisal that is grossly misleading, or fraudulent, is guilty of a class 6 felony.

32-3634. Prohibition against discrimination

If appraisal users require specific appraiser qualifications or experience for certain transactions necessary to carry out or to meet the responsibilities of the appraisal user, these requirements shall be related to the special skills that are required of an individual in connection with the specific appraisal assignment and shall not exclude an appraiser for consideration for such assignment solely by membership or lack of membership in any particular professional appraisal organization or association.

32-3635. Standards of practice

- A. A state licensed or state certified appraiser shall comply with the standards of professional appraisal practice adopted by the board.
- B. An appraisal or appraisal report shall not be issued by a real estate appraiser unless it meets the appraisal standards established by this chapter and rules adopted pursuant to this chapter.
- C. An appraisal review report shall clearly indicate the nature of the review process undertaken and shall separate the review function from any other functions.
- D. All federally related appraisals shall be in writing.

32-3636. Contingent fees

A state licensed or state certified appraiser may not accept a fee for an appraisal assignment that is contingent on the appraiser reporting a predetermined estimate, analysis or opinion or that is contingent on the opinion, conclusion or value reached or on the consequences resulting from the appraisal assignment.

32-3637. Retention of records; definition

- A. A state licensed or state certified appraiser shall retain a work file for at least five years after preparation of the work file or at least two years after final disposition of any judicial proceeding in which the appraiser provided testimony related to the work file, whichever period of time is greater.
- B. A state licensed or state certified appraiser shall do either of the following:
 - 1. Have custody of the appraiser's work file.
 - 2. Make appropriate work file retention, access and retrieval arrangements with the party having custody of the work file.
- C. The board may inspect all records required to be maintained under this chapter by the state licensed or state certified appraiser on reasonable notice to the appraiser.
- D. For the purposes of this section, "work file" includes documentation necessary to support an appraiser's analyses, opinions and conclusions.

32-3638. Violation; classification

Any person who performs a real estate appraisal or appraisal review, who is not licensed or certified under this chapter and who knowingly assumes or uses any title, designation or abbreviation likely to create the impression of licensure or certification by this state or any person who knowingly provides false or fraudulent information to the board is guilty of a class 1 misdemeanor.

32-3639. Damages; injunctive relief

If the board has a reasonable basis to believe, after investigation, that any person is violating any provision of this chapter, the board may bring an action in superior court for appropriate injunctive or other equitable relief, damages sustained and taxable costs and reasonable attorney fees.

ARTICLE 4 PROPERTY TAX AGENTS

32-3651. Definitions

In this article, unless the context otherwise requires:

1. "Analysis" means the review of a property valuation established by a county assessor in the representation of a person in appealing the property valuation to the county assessor.
2. "Appraisal" means the development of real or personal property value opinions or conclusions.
3. "Board" means the state board of appraisal.
4. "Property tax agent" means an individual who is designated by a person or is an employee of an entity designated as an agent pursuant to section 42-16001, who acts on behalf of a person who owns, controls or possesses property valued by a county assessor or the department of revenue and who receives a fee for the analysis of any matter relating to the review of the valuation of the person's property before the assessor, the county or state board of equalization or the department of revenue. Property tax agent does not include a person who is admitted to practice law in this state, an employee of the person owning, controlling or possessing the property or an employee of an entity designated pursuant to section 42-16001, if such employee is performing a secretarial, clerical or administrative support function.

32-3652. Registration; renewal; fees

- A. An individual who wishes to act as a property tax agent shall apply for registration by submitting to the board a completed application form prescribed by the board with the initial registration fee. The applicant shall also file with the board an affidavit stating whether the applicant has been convicted of a felony or any misdemeanor involving dishonesty or moral turpitude in this or any other state within the last ten years. The board may review the affidavit and issue or deny the registration based on its findings.
- B. Except as provided in section 32-4301, registration is valid for two years. An individual may renew a registration by submitting to the board a renewal form prescribed by the board with the renewal fee on or before the date the registration expires.
- C. An appraiser licensed or certified pursuant to this chapter may register and renew registration as a property tax agent without paying the fee prescribed by this section.

D. The board shall issue a certificate of registration to an individual, if the individual complies with this section and the individual is not prohibited from registering pursuant to section 32-3654.

E. A person shall not act as a property tax agent if the person is not registered pursuant to this section.

F. The board shall collect from each individual a fee of:

1. Two hundred dollars for an initial registration.
2. One hundred dollars for a renewal.
3. Five dollars for a duplicate registration certificate.

G. The board shall deposit, pursuant to sections 35-146 and 35-147, monies collected pursuant to subsection F of this section in the board of appraisal fund.

32-3653. Property tax agent conduct

A property tax agent:

1. Shall not knowingly misrepresent any information or act in a fraudulent manner.
2. Shall not prepare documents or provide evidence in a property valuation appeal unless the agent is authorized by the property owner to do so and any required agency authorization form has been filed.
3. Shall not knowingly submit false or erroneous information in a property valuation appeal.
4. Shall use appraisal standards and methods which are adopted by the board when the agent submits appraisal information in a property valuation appeal.

32-3654. Disciplinary actions

A. On the complaint of any person or on its own motion, the board shall investigate any suspected violation of this article by a property tax agent. If the board finds a violation it may issue a letter of concern.

B. If the board finds that the property tax agent committed any of the following violations, it shall revoke or suspend the agent's registration:

1. Secured registration by fraud or deceit.
2. Committed an act or is responsible for an omission involving fraud or knowing misrepresentation with the intent to obtain a benefit.
3. Knowingly violated section 32-3653.

C. The board shall:

1. Suspend the agent's registration for not less than six months on the first finding of a violation pursuant to subsection B of this section.
2. Suspend the agent's registration for not less than twelve months on the second finding of a violation pursuant to subsection B of this section.
3. Revoke the agent's registration on a third or subsequent finding of a violation pursuant to subsection B of this section.

D. The board shall not impose discipline until the agent has been provided an opportunity for a hearing before the board pursuant to title 41, chapter 6, article 10. The board shall notify the agent of the charges and the date and time of the hearing. The notice may be personally served or sent by certified mail to the agent's last known address. Except as provided in section 41-1092.08, subsection H, the final decision of the board is subject to judicial review pursuant to title 12, chapter 7, article 6.

E. The board shall not renew an agent's registration during the time the registration is suspended or revoked.

32-3655. Rules

The board may adopt rules for the purpose of administering this article.

32-3656. Confidential records

Except as otherwise provided by law, all documents associated with a complaint pursuant to this article are confidential until the complaint is resolved.